

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding  
5 Section 216 as follows:

6 (35 ILCS 5/216 new)

7 Sec. 216. Tax credit for long-term care insurance premiums.  
8 For taxable years ending on or after December 31, 2005 and  
9 ending on or before December 31, 2009, each individual taxpayer  
10 is entitled to a credit against the tax imposed by subsections  
11 (a) and (b) of Section 201 in an amount equal to 25% of the  
12 premium costs paid by the taxpayer during the taxable year for  
13 each qualified long-term care insurance contract, as defined by  
14 Section 7702B of the Internal Revenue Code, purchased on or  
15 after January 1, 2005 that offers coverage to either the  
16 taxpayer or to the taxpayer's spouse, parent, or dependent, as  
17 defined in Section 152 of the Internal Revenue Code. The credit  
18 allowed under this Section may not exceed \$100 for each  
19 qualified long-term care policy or the amount of the taxpayer's  
20 liability under this Act, whichever is less. If the amount of  
21 the credit exceeds the taxpayer's liability under this Act for  
22 the year, then the excess may not reduce the taxpayer's  
23 liability to less than zero and may not be carried forward to  
24 apply to the taxpayer's liability for any succeeding year. A  
25 taxpayer is not entitled to the credit with respect to amounts  
26 expended for the same qualified long-term care insurance  
27 contract that are claimed by another taxpayer.

28 Section 99. Effective date. This Act takes effect upon  
29 becoming law.